

AMENDED IN SENATE JUNE 5, 2008  
AMENDED IN ASSEMBLY MARCH 24, 2008  
CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2518**

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**Introduced by Assembly Member Torrico**

February 21, 2008

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An act to add and repeal Article 15 (commencing with Section 18861) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2518, as amended, Torrico. Taxpayer contributions: ~~Northern California Cancer Center~~ Research Fund.

Existing law, relating to the administration of personal income taxes, authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would allow taxpayers to designate on their tax returns, that a specified amount in excess of their tax liability be transferred to the ~~Northern California Cancer Center~~ Research Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from the return.

This bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and the State Department of Public Health ~~for allocation to the Northern California Cancer Center~~

*distribution of grants to cancer research centers for the purposes of conducting cancer research, expanding education on cancer, and providing prevention and awareness activities, as provided.*

This bill would provide that these voluntary contribution provisions are repealed on either January of the fifth taxable year following the taxable year the fund first appears on the personal income tax return or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 15 (commencing with Section 18861) is  
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and  
3 Taxation Code, to read:

4  
5 Article 15. ~~Northern~~ California Cancer-Center Research Fund

6  
7 18861. (a) Any individual may designate on the tax return that  
8 a contribution in excess of the tax liability, if any, be made to the  
9 ~~Northern~~ California Cancer-Center Research Fund, pursuant to  
10 Section 18862.

11 (b) The contributions shall be in full dollar amounts and may  
12 be made individually by each signatory on a joint return.

13 (c) A designation under subdivision (a) shall be made for any  
14 taxable year on the individual return for that taxable year, and once  
15 made shall be irrevocable. In the event that payments and credits  
16 reported on the return, together with any other credits associated  
17 with the individual's account, do not exceed the individual's  
18 liability, the return shall be treated as though no designation has  
19 been made.

20 (d) If an individual designates a contribution to more than one  
21 account or fund listed on the tax return, and the amount available  
22 is insufficient to satisfy the total amount designated, the  
23 contribution shall be allocated among the designees on a pro rata  
24 basis.

25 (e) The Franchise Tax Board shall revise the forms of the return  
26 to include a space labeled the "~~Northern California~~ "California

1 Cancer-Center Research Fund” to allow for the designation  
2 permitted under subdivision (a). The forms shall also include in  
3 the instructions information that the contribution may be in the  
4 amount of one dollar (\$1) or more and that the contribution shall  
5 be used to conduct research relating to the causes, detection, and  
6 prevention of cancer, ~~and to provide education and support to~~  
7 ~~cancer survivors to expand community-based education on cancer;~~  
8 ~~and to provide prevention and awareness activities for communities~~  
9 ~~that are disproportionately at risk or afflicted by cancer.~~

10 (f) Notwithstanding any other provision of law, a voluntary  
11 contribution designation for the Northern California Cancer-Center  
12 Research Fund may not be added to the tax return until another  
13 voluntary contribution is removed.

14 (g) A deduction shall be allowed under Article 6 (commencing  
15 with Section 17201) of Chapter 3 of Part 10 for any contribution  
16 made pursuant to subdivision (a).

17 18862. There is hereby created in the State Treasury the  
18 Northern California Cancer-Center Research Fund to receive  
19 contributions made pursuant to Section 18861. The Franchise Tax  
20 Board shall notify the Controller of both the amount of money  
21 paid by taxpayers in excess of their tax liability and the amount  
22 of refund money which taxpayers have designated pursuant to  
23 Section 18861 to be transferred to the Northern California Cancer  
24 Center Research Fund. The Controller shall transfer from the  
25 Personal Income Tax Fund to the Northern California Cancer  
26 Center Research Fund an amount not in excess of the sum of the  
27 amounts designated by individuals pursuant to Section 18861 for  
28 payment into that fund.

29 18863. All money transferred to the Northern California Cancer  
30 Center Research Fund, upon appropriation by the Legislature, shall  
31 be allocated as follows:

32 (a) To the Franchise Tax Board and the Controller for  
33 reimbursement of all costs incurred by the Franchise Tax Board  
34 and the Controller in connection with their duties under this article.

35 (b) (1) To the State Department of Public Health for allocation  
36 to the Northern California Cancer Center, an existing California  
37 nonprofit public benefit corporation that is tax exempt under  
38 Section 501(c)(3) of the Internal Revenue Code.

39 (2) ~~The funding shall be used by the Northern California Cancer~~  
40 ~~Center for the purposes of conducting research on cancer causes;~~

1 ~~detection, and prevention, and for providing education and support~~  
2 ~~to cancer survivors; distribution of grants to cancer research~~  
3 ~~centers that qualify as exempt organizations under Section~~  
4 ~~501(c)(3) of the Internal Revenue Code and whose mission is to~~  
5 ~~prevent and detect cancer, while also improving the quality of life~~  
6 ~~for those living with cancer.~~

7 (2) Grants shall be made available for the purposes of  
8 conducting research on the causes and treatments for cancer;  
9 expanding community-based education on cancer; and providing  
10 culturally sensitive and appropriate prevention and awareness  
11 activities targeted toward communities that are disproportionately  
12 at risk or afflicted by cancer.

13 18864. (a) Except as otherwise provided in subdivision (b),  
14 this article shall remain in effect only until January 1 of the fifth  
15 taxable year following the first appearance of the ~~Northern~~  
16 California Cancer-Center Research Fund on the personal income  
17 tax return, and as of that date is repealed, unless a later enacted  
18 statute, that is enacted before the applicable date, deletes or extends  
19 that date.

20 (b) (1) By September 1 of each subsequent calendar year that  
21 the ~~Northern~~ California Cancer-Center Research Fund appears on  
22 the tax return, the Franchise Tax Board shall do all of the  
23 following:

24 (A) Determine the minimum contribution amount required to  
25 be received during the next calendar year for the fund to appear  
26 on the tax return for the taxable year that includes that next calendar  
27 year.

28 (B) Provide written notification to the State Department of  
29 Public Health of the amount determined in subparagraph (A).

30 (C) Determine whether the amount of contributions estimated  
31 to be received during the calendar year will equal or exceed the  
32 minimum contribution amount determined by the Franchise Tax  
33 Board for the calendar year pursuant to subparagraph (A). The  
34 Franchise Tax Board shall estimate the amount of contributions  
35 to be received by using the actual amounts received and an estimate  
36 of the contributions that will be received by the end of that calendar  
37 year.

38 (2) If the Franchise Tax Board determines that the amount of  
39 the contributions estimated to be received during a calendar year  
40 will not at least equal the minimum contribution amount for the

1 calendar year, this article is repealed with respect to taxable years  
2 beginning on or after January 1 of that calendar year.

3 (3) For purposes of this section, the minimum contribution  
4 amount for a calendar year means two hundred fifty thousand  
5 dollars (\$250,000) for the second calendar year after the first  
6 appearance of the ~~Northern~~ California Cancer ~~Center~~ Research  
7 Fund on the personal income tax return or the adjusted minimum  
8 contribution amount adjusted pursuant to subdivision (c).

9 (c) For each calendar year, beginning with the third calendar  
10 year after the first appearance of the ~~Northern~~ California Cancer  
11 ~~Center~~ Research Fund on the personal income tax return, the  
12 Franchise Tax Board shall adjust, on or before September 1 of that  
13 calendar year, the minimum contribution amount specified in  
14 subdivision (b) as follows:

15 (1) The minimum estimated contribution amount for the calendar  
16 year shall be an amount equal to the product of the minimum  
17 estimated contribution amount for the calendar year multiplied by  
18 the inflation factor adjustment as specified in subparagraph (A) of  
19 paragraph (2) of subdivision (h) of Section 17041, rounded off to  
20 the nearest dollar.

21 (2) The inflation factor adjustment used for the calendar year  
22 shall be based on the figures for the percentage change in the  
23 California Consumer Price Index received on or before August 1  
24 of the calendar year pursuant to paragraph (1) of subdivision (h)  
25 of Section 17041.

26 (d) Notwithstanding the repeal of this article, any contribution  
27 amounts designated pursuant to this article prior to its repeal shall  
28 continue to be transferred and disbursed in accordance with this  
29 article as in effect immediately prior to that repeal.